MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2022/2023

PFA0064– ESSENTIALS OF FINANCIAL ACCOUNTING

4 OCTOBER 2023
9.00 AM - 11.00 AM
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **SIX** pages with 5 questions only.
2. Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Write your answers in the Answer Booklet.

Question 1

The following are balances of TNT Sdn Bhd for the month ended 31 December 2022.

	RM
Inventory at 1 January 2022:	
Raw materials	18,450
Work in process	23,600
Finished goods	17,470
Purchases: Raw materials	64,300
Carriage on raw materials	1,605
Direct labour	65,810
Office salaries	16,920
Rent	2,700
Office lighting and heating	5,760
Depreciation: Machinery	8,300
Office equipment	1,950
Sales	200,600
Factory fuel and power	5,920

Additional information:

1. Rent is to be apportioned: Factory 2/3, Office 1/3.
2. Inventory at 31 December 2022 were:
   Raw materials RM20,210
   Work in process RM17,390
   Finished goods RM21,485

Required

Prepare a manufacturing account for the month ended 31 December 2022.

(Total 20 marks)

Continued...

Question 2

The following is a summary of the receipts and payments of HM Club during the year ended 31 July 2023.

HM Club
Receipts and Payments Account
For the year ended 31 July 2023

	RM			RM
Cash and bank balances b/d	210		Secretarial expenses	163
Sales of competition tickets	437		Rent	1,402
Members' subscriptions	1,987		Visiting speakers' expenses	1,275
Donations	177		Donations to charities	35
Refund of rent	500		Prizes for competitions	270
Balance c/d	13		Stationery and printing	179
	3,324			3,324

The following valuations are also available:

As at 31 July	2022	2023
Equipment (original cost RM 1,420)	975	780
Subscriptions in arrears	65	85
Subscriptions in advance	10	37
Owing to suppliers of competition prizes	58	68
Inventories of competition prizes	38	46

Required

Prepare an income and expenditure account of HM Club for the year ended 31 July 2023.

(Total 20 marks)

Continued...

Question 3

The following list of balances as at 30 September 2023 has been extracted from the books of Kayla and Steve, trading in partnership, sharing the balance of profits and losses in the proportions 3:2 respectively.

	RM
Printing, stationery and postages	3,500
Sales	322,100
Inventory in hand 1 October 2022	23,000
Purchases	208,200
Rent and rates	10,300
Heat and light	8,700
Staff salaries	36,100
Telephone charges	2,900
Motor vehicle running costs	5,620
Sales returns	2,100
Purchase returns	6,100
Carriage inwards	1,700
Carriage outwards	2,400
Fixtures and fittings: at cost	26,000
Accumulated depreciation – fixtures and fittings	11,200
Motor vehicles: at cost	46,000
Accumulated depreciation – motor vehicles	25,000
Provision for doubtful debts	300
Drawings: Kayla	24,000
Steve	11,000
Current account balances at 1 October 2022: Kayla	3600 (credit)
Steve	2400 (credit)
Capital account balances at 1 October 2022: Kayla	33,000
Steve	17,000
Accounts receivable	9,300
Accounts payable	8,400
Bank	7,700

Additional information:

1. RM10,000 is to be transferred from Kayla's capital account to a newly opened Kayla Loan Account on 1 July 2023. Interest at 10% per annum on the loan is to be credited to Kayla.
2. Steve is to be credited with a salary at the rate of RM12,000 per annum from 1 April 2023.
3. Inventory in hand at 30 September 2023 has been valued at cost at RM32,000.
4. Telephone charges accrued due at 30 September 2023 amounted to RM400 and rent of RM600 prepaid at that date.

Continued...

5. During the year ended 30 September 2023 Steve has taken goods costing RM1,000 for his own use.
6. Depreciation is to be provided at the following annual rates on the straight line basis:
   Fixtures and fittings: 10%
   Motor vehicles: 20%

Required

Prepare a statement of profit or loss and other comprehensive income for the year ended 30 September 2023.

(Total 20 marks)

Question 4

The following is the trial balance of Didi Sdn Bhd as at 31 December 2022.

	DEBIT (RM)	CREDIT (RM)
Issued and paid up shares capital:		
200,000 ordinary shares of RM 1 each		200,000
50,000 12% preference shares of RM 1 each		50,000
Retained earnings		20,000
Premises – cost	200,000	
Premises – accumulated depreciation at 1/1/22		60,000
Equipment – cost	100,000	
Equipment – accumulated depreciation at 1/1/22		40,000
Motor vehicles – cost	150,000	
Motor vehicles – accumulated depreciation at 1/1/22		50,000
Bank overdraft		20,000
Accounts receivables and payables	116,000	10,000
10% debenture		100,000
Purchases and sales	200,000	400,000
Inventory at 1/1/22	5,000	
Returns	4,000	3,000
Salaries	24,000	
Rent	13,000	
Administrative expenses	20,000	
Distribution expenses	50,000	
Directors' remuneration	60,000	
Debenture interest	8,000	
Interim dividend – ordinary shares	1,000	
Interim dividend – preference shares	2,000	
Total	953,000	953,000

Continued...

Additional information:

1. Inventory at 31 December 2022 was valued at RM30,000.
2. Authorised shares capital:
   500,000 ordinary shares of RM 1 each
   50,000 12% preference shares of RM 1 each
3. The outstanding debenture interest is to be accrued.
4. Depreciation is to be provided as follows:
   Premises at 5% per annum on cost
   Equipment at 10% per annum on cost
   Motor vehicles at 20% on reducing balance
5. A final dividend of 6% is proposed on the ordinary shares, and the full year's preference dividend is to be provided for.
6. RM1,000 was prepaid for rent at 31 December 2022.

Required

a. Prepare a statement of profit or loss and other comprehensive income for the year ended 31 December 2022. (13 marks)

b. Prepare a statement of changes in equity for the year ended 31 December 2022. (7 marks)

(Total 20 marks)

Question 5

A comparative statement of financial position for JST Sdn Bhd appears below:

JST Sdn Bhd
Comparative Statement of Financial Position

	31/12/2022	31/12/2021
Assets		
Cash	RM23,000	RM10,000
Accounts receivable	18,000	14,000
Inventory	27,000	18,000
Prepaid expenses	6,000	9,000
Long-term investments	-0-	18,000
Equipment	60,000	32,000
Accumulated depreciation—equipment	(18,000)	(14,000)
Total assets	RM116,000	RM87,000
Liabilities and Shareholders' Equity		
Accounts payable	RM17,000	RM7,000
Bonds payable	37,000	47,000
Ordinary shares	40,000	23,000
Retained earnings	22,000	10,000
Total liabilities and shareholders' equity	RM116,000	RM87,000

Continued...

Additional information:

1. Net income for the year ending 31 December 2022 was RM24,000.
2. Cash dividends of RM12,000 were declared and paid during the year.
3. Long-term investments that had a cost of RM18,000 were sold for RM16,000.
4. Sales for 2022 were RM120,000.

Required

Prepare a statement of cash flow for the year ended 31 December 2022, using the indirect method. **(Total 20 marks)**

End of page